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Elaine Placido, Director
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June 12, 2016

RE: Comments on Millennium Bulk Terminals draft environmental impact statement

Dear Ms. Placido and Ms. Torteuff:

I am submitting the following comments to the Washington Department of Ecology and Cowlitz County in response to the April 29, 2016, draft environmental impact statement (DEIS) on the application from Millennium Bulk Terminals – Longview, LLC (MBTL) to construct and operate a coal export terminal. Please ensure that my comments are entered into the public record.

The proposed rail transport of Powder River Basin (PRB) coal from and through Montana to the MBTL export terminal on the West Coast will have real and significant impacts to Montanans. these impacts are a connected and cumulative result of this project. The DEIS is overly vague and generic in addressing the impacts to Montana and Montanans that increased coal train traffic would have and cause. No specific information on Montana is included or information is inaccurate. For example, there are two rail routes through Montana currently handling coal train traffic, and the DEIS does not even acknowledge the northern route along Montana's "Hi Line."

The primary area where coal to be mined for the market for the proposed terminal is the PRB, where approximately 80% of coal produced is from a federal lease. Yet the MBTL DEIS does not acknowledge or consider the current programmatic EIS being prepared by the Department of the Interior to examine the federal coal leasing program. One of the significant issues being examined in that EIS is a review of the export of coal that is a product of federal coal leases. Outcomes of the PEIS may create significantly different alternative scenarios that would impact filling the export capacity at the proposed MBTL terminal.

Additionally, since 2012, the international coal export markets in Asia, especially China, have been in decline. Benchmark prices for thermal coal are the lowest they have been since 2007. At its peak in January 2011, the price was \$141.94/ton; by December 2015, the price was

\$43/ton. Prices are predicted to stay at or below \$60/ton through 2021. This is below the profitability level that existing coal mines in the PRB have stated they need to participate in the export market (*e.g.*, in 2010/2011, both Peabody Energy and Arch Coal said they needed the price of coal to be in the \$90/ton range to make it worthwhile to export coal, and, in 2014, Cloud Peak Energy said it needed the price of coal to be between \$80 and \$90/ton for it to export coal at a profit).

The global coal market is oversupplied. Even existing PRB exporters have ceased exports due to market conditions. Multiple Montana coal producers that were successfully exporting coal through British Columbia export terminals have renegotiated their contracts with those terminals in order to discontinue the practice. Cloud Peak Energy, a PRB coal producer, renegotiated its contract with Westshore Terminals in order to reduce their tonnage obligation to zero until 2019. Signal Peak Energy, which operates a longwall coal mine in the Bull Mountains north of Billings, Montana, recently did the same.

Many financial institutions and investment analysts are advising that the export market for U.S. coal is oversupplied, under severe stress, and likely to remain in this condition for the foreseeable future. Chinese coal imports drive the U.S. export market. The decline in the international market for coal affects PRB coal company plans for a vibrant export market to make up for the lack of a domestic market for coal. Consequently, there is little likelihood that a major, new, multi-million dollar coal export terminal would ever pay for itself, much less bring any sort of benefit to the people of Longview or Washington State, given the realities of today's – and tomorrow's – coal markets.

While the MBTL DEIS examines increased train traffic *in Washington*, those trains do not simply appear at the Washington state border; they come from somewhere. In fact, those trains originate at PRB coal mines in Wyoming and Montana and traverse Montana on their way to the proposed facility as well as on the way back to the PRB. The DEIS states that there will be 16 additional trains each day traveling the rails if MBTL is approved. There would be numerous impacts to Montanans and Montana communities from this increase in the number of trains – and those impacts are not just "inconveniences." There would be health, safety, quality of life, as well as actual financial costs to Montana citizens and communities as well as to our rural areas that would result from this increase in coal train traffic.

An increase in the number of trains would mean more frequent and longer traffic delays at rail crossings. An increase in the number of trains would also result in a greater potential for vehicle collisions with trains and for pedestrian accidents. An increase in the number of trains decreases access across the train tracks, which is especially problematic for emergency services such as fire trucks and ambulances.

Sixteen additional full-length coal trains in Montana means an increase in the amount of airborne pollutants (particulate matter) from diesel engines as well as from coal dust. Additionally, more trains would mean more vehicles idling at train crossings when trains are passing – adding their exhaust (containing particulate matter and other pollutants) into the air. Particulate matter is solid matter suspended in air. Particles 10 microns in diameter or smaller are directly linked to health concerns. Diesel fumes contain particles that are 2.5 microns in

diameter. Medical studies have shown a clear link between both diesel air pollutants and coal dust and disease. The air pollution associated with a dramatic increase of 16 additional coal trains per day through Montana communities and rural areas along the rail lines would have serious public health impacts for local residents, which should be included in the MBTL DEIS.

Trains are noisy; more trains means more noise. Medical literature links noise to significant human health issues including cardiovascular disease, hypertension, arrhythmia, stroke, and ischemic heart disease; sleep disturbance and resultant fatigue; an increased rate of accident and injuries; cognitive impairment in children; and exacerbation of mental health disorders such as depression, stress and anxiety, and psychosis. Not only does noise impact humans, but it would impact wildlife and livestock.

Increased coal train traffic from the PRB mines to the proposed MBTL would directly lead to increased financial costs to Montana communities and taxpayers. It is understood that if a rail company needs to upgrade its track or a bridge or a tunnel or a crossing in order to facilitate current or increased train traffic, they will do so and they will pay for it. However, if a city or county wants to have a particular crossing in their community upgraded to deal with local impacts and the rail company doesn't want to do this, under existing law the railroads do not have to respond to the local government concerns.

If the proposed MBTL coal export facility is approved, it would mean more coal strip mines and mining in the PRB with more impacts to the land, air, water, wildlife, and people in those areas. Coal strip mining industrializes ecologically important areas that are also home to vibrant and economically important agricultural communities. Strip mining completely destroys the land: topography is obliterated, vegetation is scraped away, aquifers and other water sources are destroyed, wildlife is significantly affected, ranching in the area is forever altered, and quiet areas become filled with noise.

Water is a precious resource in the semi-arid region of the PRB in Montana where coal is strip mined. Coal seams are filled with water and function as vital aquifers in this region. Coal strip mines sever and destroy these aquifers. Coal strip mines notoriously have large footprints beyond the actual area where coal is being blasted and dug out of the ground. Many miles of roads, rail lines, tipples and conveyor systems, utility lines, buildings, storage areas, fencing, and sewage disposal areas as well as noise, lights, and a myriad of traffic and machinery will be part of the landscape of a coal strip mine. All of this development has environmental consequences for the wildlife that inhabit the relatively quiet, rural, undeveloped area. Construction activity, mine operation, increased human presence, increased traffic, noise, disruption of water resources, fencing, and many other factors that a strip mine entails have negative impacts on a variety of species.

Coal strip mines have been operating in Montana for more than 40 years. But as of September 2015, of the 41,005 acres that have been disturbed by coal strip mining operations, only 20,290 acres have achieved Phase I reclamation and bond release, which means that a permittee has completed the backfilling, re-grading, topsoil replacement, re-contouring, and drainage control required for a bonded area. Of particular concern, during this time only 491 acres in all of Montana have achieved Phase IV bond release. This bond release verifies that all

surface coal mining and reclamation activities and all disturbed lands within any drainage basin have been reclaimed in accordance with Phase I, II, and III requirements (and includes successful restoration of the hydrologic balance that supports post-mining land use).

The financial backer of MBTL is Lighthouse Resources, which is wholly owned by Cayman Islands hedge fund RCF. Lighthouse also owns and operates the Decker coal mine in southeastern Montana. Of all of the major strip mines in Montana and Wyoming, the reclamation record at Decker is quite possibly the worst. Despite being in operation for more than 40 years, the Decker Mine has achieved exactly 0 acres of full reclamation out of 7,745 acres mined. This is according to data from the Office of Surface Mining Reclamation and Enforcement's surface mine reclamation tables for Evaluation Year 2015.

The sole purpose of the MBTL is to export coal. Coal is the world's most carbon-intensive fossil fuel. When coal is burned, carbon dioxide (CO₂) and other greenhouse gases (GHG) are released into the atmosphere (conversely, this CO₂ is trapped as carbon inside the coal in the ground and does not impact the earth's atmosphere). It is now well-established in the scientific community that the burning of coal and other fossil fuels is putting us on a dangerous path toward irreversible climate change.

Virtually every ecological community and natural system in Montana, and, indeed, the world, is already being impacted by global climate change. These impacts will continue to become more and more severe unless the use of coal is dramatically curtailed and all nations make a concerted effort to develop other forms of energy. Wherever the PRB coal that is transported to the MBTL coal export facility is burned, the GHG emissions will eventually impact Montanans.

The Washington State Department of Ecology and Cowlitz County must fully consider the consequences of all the connected and cumulative impacts that would result to Montana and Montanans if a permit is granted for the proposed MBTL coal export terminal. Until that happens, this DEIS is deficient and inadequate.

Ultimately, I strongly urge the Washington State Department of Ecology and Cowlitz County to choose the no-action alternative. This proposed project is not worthy of the permits it seeks. Please do not approve the proposed Millennium Bulk Terminals – Longview project.

Thank you for your consideration of my comments.

Sincerely,

Beth Kaeding
Bozeman, Montana 59715